

HOUSE BILL 3207

By Fitzhugh

AN ACT to amend Tennessee Code Annotated, Section 67-4-2008, relative to family-owned noncorporate entities.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 67-4-2008(a)(11), is amended by deleting subdivision (A) in its entirety and by substituting instead the following language:

(A) Any family-owned noncorporate entity, where substantially all the activity of the entity is either:

(i) The investment in passive investment assets; or

(ii) A combination of the investment in passive investment assets and farming as defined in (a)(6)(A)(i);

SECTION 2. Tennessee Code Annotated, Section 67-4-2008(a)(11)(B)(i), is amended by deleting subdivision (e) in its entirety and by substituting instead the following language:

(e) The estate or trust of a deceased individual who, while living, was as described in any of subdivisions (a)(11)(B)(i)(a)-(d) and any trust, all of the then current permissible distributes of which are described in any of the subdivisions (a)(11)(B)(i)(a)-(d);

SECTION 3. Tennessee Code Annotated, Section 67-4-2008(a)(11)(B), is amended by deleting subdivision (iii) in its entirety and by substituting instead the following language:

(iii) "Passive investment asset" means stock, securities, or any asset which produces rents, interest, or annuities, regardless of whether any income is received from such asset for any period;

SECTION 4. This act shall take effect July 1, 2008, the public welfare requiring it.